ADD **ONGC**

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Stable numbers; downgrade to Add on oil volatility

Oil & Gas ▸ Result Update ▸ **November 11, 2025** | **CMP (Rs): 251 | TP (Rs): 280**

We downgrade ONGC to ADD from Buy, while retaining Sep-27E TP of Rs280 (~7.5x consol target P/E), with value of listed investments now higher. ONGC's Q2FY26 SA EBITDA of Rs166.0bn missed our estimate by 2% albeit on higher forex loss, while PAT of Rs98.5bn beat our estimate by 2% on lower tax rate due to dividend income. Survey and Dry Wells costs were lower at Rs11bn vs Rs13bn estimated. Total crude production rose 0.6% YoY to 5.2mmt (inline), while gas production fell 0.6% YoY to 5.0bcm (1% miss). NWG contributed to 21% of NB gas revenue in H1. KG 98/2 crude production fell to 28kbpd. The mgmt is optimistic about output growth from Q4FY26, backed by green shoots from BP TSP, 98/2 gas ramp up as key facilities get installed, and increased production from Daman. It should see full impact from these assets in FY27 and Daman qualifying as NWG. ONGC also targets Rs50bn opex savings over time – started taking initiatives. We lower FY26-28E SA EPS by 9-13% each, building in lower Brent price (USD65/bbl), though partly offset by weaker currency.

Result Highlights

ONGC's SA revenue of Rs330bn was largely in-line. Nominated+NELP block crude production rose 1.1% YoY to 4.88mmt, while JV fell 6% to 0.31mmt. For gas, NB+NELP was flat YoY at 4.92bcm, while JV declined 19% to 0.11bcm. VAP production was flat YoY at 0.63mmt (6% miss). Oil realization in Q2 was in line at USD67.3/bbl, while gas realization was flat QoQ at USD7.6/mmbtu. Total production cost was 5% above our estimate as other expenses were 5% higher at Rs69.1bn, due to forex losses of Rs11.5bn. DD&A declined 2% QoQ to Rs63.7bn, while finance cost was down 1% QoQ at Rs11.1bn. Other income at Rs34.2bn was down 28% YoY (1% miss). OVL's Q2 consol EBITDA rose 131% QoQ to Rs10.8bn, on 41% QoQ uptick in crude realization, while unit opex declined 10% to USD8.5/boe. OVL's crude/gas production fell 6%/14% YoY and 2%/13% QoQ in Q2. Despite the unplanned plant shutdown (utilization at 78%), OPaL reported positive EBITDA of Rs2.1bn vs Rs70mn loss QoQ and Rs254mn profit YoY, while net loss reduced to Rs4,6bn. ONGC's Board declared an interim dividend of Rs6.0.

Management KTAs

KG-98/2 gas output should reach 10mmscmd peak by Jul-26, while that at Daman should hit 5mmscmd in FY27. FY26 oil/gas production guidance is lowered to 19.8mmt/20bcm. DSF should come by Q4FY27, with full impact of the ~4mmscmd output by FY28. A major technical part of the BP TSP is under works, and full-fledged effect would be seen starting Jan-27. NWG share was ~13% in Q2, though should reach 30-35% in 3-4Y due to Daman and DSF. Opex savings are through shifting logistics to Pipavav, chopper operations from Surat, using bigger vessels, etc. OPaL's EBITDA should remain positive in H2FY26.

Valuation

We value ONGC on DCF-based SOTP, comprising SA (incl KG98/2) and OPaL. Investments are valued at our TP/CMP, with 30% holdco discount. Key risks: adverse oil-gas prices, policy issues, local tensions, cost overruns, outages, OFS, and dry holes.

Target Price – 12M	Sep-26
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	BUY
Upside/(Downside) (%)	11.6

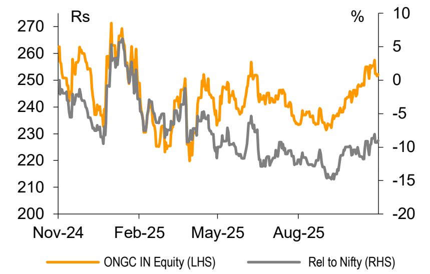
Stock Data	**ONGC IN**
52-week High (Rs)	274
52-week Low (Rs)	205
Shares outstanding (mn)	12,580.3
Market-cap (Rs bn)	3,163
Market-cap (USD mn)	35,657
Net-debt, FY26E (Rs mn)	(14,508.2)
ADTV-3M (mn shares)	11
ADTV-3M (Rs mn)	2,196.6
ADTV-3M (USD mn)	24.8
Free float (%)	31.0
Nifty-50	25,574.3
INR/USD	88.7

Shareholding,Sep-25	
Promoters (%)	58.9
FPIs/MFs (%)	7.0/20.0

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	2.1	7.7	(4.2)
Rel. to Nifty	0.9	2.6	(9.6)

1-Year share price trend (Rs)



ONGC: Financial Snapshot (Standalone)

Y/E March (Rs mn)	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Revenue	1,384,021	1,378,463	1,304,283	1,316,148	1,341,373
EBITDA	697,764	680,420	649,795	632,578	640,436
Adj. PAT	427,571	377,467	326,066	316,254	321,068
Adj. EPS (Rs)	34.0	30.0	25.9	25.1	25.5
EBITDA margin (%)	50.4	49.4	49.8	48.1	47.7
EBITDA growth (%)	(8.8)	(2.5)	(4.5)	(2.6)	1.2
Adj. EPS growth (%)	(11.5)	(11.7)	(13.6)	(3.0)	1.5
RoE (%)	14.3	11.4	10.0	9.2	8.9
RoIC (%)	32.3	23.5	19.5	19.3	20.6
P/E (x)	7.8	8.9	9.7	10.0	9.9
EV/EBITDA (x)	4.6	5.0	4.8	4.6	4.2
P/B (x)	1.0	1.0	0.9	0.9	0.9
FCFF yield (%)	8.6	9.4	11.2	11.4	12.6

Source: Company, Emkay Research

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Exhibit 1: Actual vs Estimates (Q2FY26)

(Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	330,306	331,901	323,907	0%	2%	
Adjusted EBITDA	165,994	169,041	183,018	-2%	-9%	Higher forex losses in expenditure
EBITDA Margin	*50.3%*	*50.9%*	*56.5%*	*-68bps*	*-625bps*	
Adjusted Net Profit	98,480	96,204	97,802	2%	1%	Lower ETR due to dividend income

Source: Company, Emkay Research

Exhibit 2: Quarterly Summary – ONGC (Standalone)

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY	QoQ	H1FY25	H1FY26	YoY
Revenue	338,809	337,168	349,822	320,029	330,306	-3%	3%	691,473	650,335	-6%
COGS+OPEX	77,993	80,303	92,375	72,725	88,632	14%	22%	145,480	161,357	11%
Statutory Levies	78,295	66,296	67,369	60,733	64,698	-17%	7%	176,015	125,431	-29%
Survey+Dry Wells costs	12,114	19,251	50,465	14,718	10,981	-9%	-25%	28,541	25,700	-10%
EBITDA	170,407	171,317	139,614	171,853	165,994	-3%	-3%	341,437	337,846	-1%
DD&A	55,979	67,788	60,785	65,306	63,686	14%	-2%	114,952	128,992	12%
EBIT	114,428	103,530	78,828	106,547	102,307	-11%	-4%	226,485	208,854	-8%
Finance Charges	11,567	10,750	11,901	11,209	11,098	-4%	-1%	23,389	22,307	-5%
Other Income	47,499	17,222	20,747	12,105	34,238	-28%	183%	66,825	46,343	-31%
Exceptional Items	0	0	0	0	0			0	0	
PBT	150,360	110,003	87,674	107,443	125,447	-17%	17%	269,921	232,890	-14%
Total Tax	30,520	27,603	23,192	27,201	26,967	-12%	-1%	60,700	54,168	
PAT	119,840	82,399	64,483	80,242	98,480	-18%	23%	209,221	178,722	-15%
Adjusted PAT	119,840	82,399	64,483	80,242	98,480	-18%	23%	209,221	178,722	-15%
Adjusted EPS (Rs)	9.5	6.5	5.1	6.4	7.8	-18%	23%	16.6	14.2	-15%
Crude Production (mmt)	5.2	5.2	5.3	5.2	5.2	1%	-1%	10.4	10.4	0%
Gas Production (bcm)	5.1	5.1	5.0	5.0	5.0	-1%	1%	10.1	10.0	-1%
VAP Production (mmt)	0.6	0.7	0.7	0.6	0.6	0%	-1%	1.3	1.3	0%
NB Gross Oil Realization (USD/bbl)	78.3	72.6	73.7	66.1	67.3	-14%	2%	80.7	66.7	-17%
NB Net Oil Realization (USD/bbl)	78.3	72.6	73.7	66.1	67.3	-14%	2%	80.7	66.7	-17%
NB Gas Realization (Rs/scm)	21.0	21.9	22.7	23.2	23.6	12%	2%	20.4	23.4	15%

Source: Company, Emkay Research; Note: Adjusted PAT may not fully match that in the annual tables due to a different adjustment method in the Emkay detailed annual model

Exhibit 3: Quarterly Summary – OVL (Consolidated)

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY	QoQ	H1FY25	H1FY26	YoY
Revenue	**25,130**	**21,120**	**63,050**	**18,400**	**22,890**	**-9%**	**24%**	**52,950**	**41,290**	**-22%**
COGS+OPEX	10,220	11,400	48,110	13,700	12,060	18%	-12%	18,960	25,760	36%
Statutory Levies	1,430	1,870	50	40	70	-95%	75%	2,940	110	-96%
EBITDA	**13,480**	**7,850**	**14,890**	**4,660**	**10,760**	**-20%**	**131%**	**31,050**	**15,420**	**-50%**
DD&A	3,720	4,930	5,910	4,670	4,980	34%	7%	7,390	9,650	31%
EBIT	9,760	2,920	8,980	-10	5,780	-41%	-57900%	23,660	5,770	-76%
Finance Charges	6,380	8,510	8,140	6,240	7,440	17%	19%	14,610	13,680	-6%
Other Income	2,740	3,360	5,810	6,080	3,080	12%	-49%	5,070	9,160	81%
Exceptional Items	-	-	-	-	-			-	-	
PBT	6,120	-2,230	6,650	-170	1,420	-77%	-935%	14,120	1,250	-91%
Total Tax	2,840	1,980	4,860	1,050	5,050	78%	381%	6,250	6,100	-2%
Core PAT (ex-impairment)	**3,280**	**-4,210**	**1,790**	**-1,220**	**-3,630**	**NM**	**NM**	**7,870**	**-4,850**	**NM**
ONGC - EPS contri (Rs)	**0.3**	**-0.3**	**0.2**	**-0.1**	**-0.3**	**NM**	**NM**	**0.6**	**-0.3**	**NM**
Crude Production (mmt)	1.8	1.8	1.9	1.8	1.7	-6%	-2%	3.6	3.5	-4%
Gas Production (bcm)	0.7	0.8	0.8	0.7	0.6	-14%	-13%	1.4	1.3	-9%
Crude Realization (USD/bbl)	19.7	16.8	50.4	13.2	18.6	-5%	41%	20.7	15.9	-23%
Gas Realization (USD/mmbtu)	1.8	1.1	1.2	1.9	1.6	-14%	-20%	2.0	1.7	-13%
Total Production	2.5	2.6	2.7	2.5	2.3	-8%	-5%	5.0	4.8	-5%

Source: Company, Emkay Research; Note: Adjusted PAT may not fully match that in the annual tables due to a different adjustment method in the Emkay detailed annual model

Concall Highlights

- ONGC's KG-DWN-98/2 crude oil/natural gas production was 28kbpd/3mmscmd in Q2FY26. Oil production was down due to natural decline, though the company is taking action to arrest the decline. Additional work is required to reach the 45kbpd peak; setting a timeline for this is not possible yet. In gas, the living quarters-compressor package is expected to be installed over Dec '25-Jan '26, after which in Q4FY26, output would ramp up and, by Jul-26, peak rate of 10mmscmd can be achieved.
- FY26 oil/gas production guidance is lowered to 19.8mmt/20bcm from 21/21.5 earlier, due to 98/2 spillover to FY27; however, by Q4FY26-end, green shoots in terms of the BP TSP deal (some production as well as earnings) will be seen, while production ramp up at Daman should also start (5mmscmd output in FY27). DSF should come by Q4FY27, with full impact of ~4mmscmd output by FY28. Guidance for FY27, including 98/2, is hence at 21/21.5 while in FY28, gas should reach 24bcm. Andaman and other deep-waters would also start contributing by then and beyond.
- The BP deal in Mumbai High could be extended to integrated WO and KG, and target cost optimization and efficiency, providing resilience to ONGC's earnings and output. While BP is currently utilizing existing facilities (green shoots from this by Jan-26), the major technical part is under works, and a full-fledged impact would be seen from Jan-27,with peak output likely by 2028-29. The company targets a 60% increase in oil production. The move from fixed fee to revenue sharing should also happen by 2027.
- Revenue from NWG was Rs33.5bn in H1FY26 (Rs6.51bn additional over APM), with 21% share in gas. Volume share was 13.4%, which should reach 14% soon. In 3-4 years or even earlier, NWG share should reach 30-35% due to Daman and DSF-II, as a natural decline is 7-8% and these assets should sustain for at least 3-4 years. The Daman project is ahead of schedule.
- ONGC targets Rs50bn of opex reduction over time, and has already taken steps by shifting logistics to Pipavav, chopper operations from Surat, using bigger vessels, reducing diesel used in rigs, and using grid power. Going ahead, in 2-3 years, green power, inhouse vessels, etc would result in further cost savings. Capex guidance is maintained at Rs300-350bnpa (mostly standalone E&P), though it excludes RE capex of ~Rs50bn, wherein it will set up 10GW by 2030.
- OPaL saw a breakdown in one equipment for 1 month; hence utilization was lower in Q2 although it is now back at >90% utilization and is expected to maintain this rate for H2FY26. At current prices, EBITDA should remain positive in coming quarters (Rs1.25bn). No additional capex or equity infusion is required, with no maintenance capex (mostly in opex). Debt is Rs251.88bn, though the management is working toward lowering the interest cost, from the current 8.5% to under 7.5%.
- The lifting of Mozambique *force majeure* has been agreed by partners, and a ballot would happen shortly, soon after which it would be finalized (in a few days). The government and regulator have agreed on the lifting, and no major formalities are pending. Once the *force majeure* is lifted, the consortium would be able to access financing options (debt). ONGC-OVL has infused USD6.6bn so far, including acquisition cost, while currently, future gross capex projection is USD16-17bn (16% OVL stake), which can though be revised. OVL's output has been affected by planned shutdowns. The Vietnam extension is for 16 years, but the facility has ceased operations from July as it is uneconomical now and needs drilling in the area.
- Increase in opex in Q2 was from raw material cost moving up by Rs3.46bn QoQ due to higher LNG price (Rs2.73bn) in the C2-C3 plant. DD&A was up YoY due to depletion from higher output (Rs2.21bn) at WO-16 and carrying value adjustment in KG 98/2 A&C fields and depreciation of Rs1.99bn from RoU asset addition like OSVs in WO, besides the extension of FPSO. Forex loss in Q2 stood at Rs10.45bn.
- ONGC's standalone crude sales-to-production improved, while consolidated earnings were supported by HPCL's and MRPL's results in Q2FY26. Offshore fields have better margins than onshore, as the latter are mature and hence more expensive to operate. BP fee would be part of the opex.

Exhibit 4: Change in assumptions

	FY26E			FY27E			FY28E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Brent (USD/bbl)	70.0	66.5	-5%	70.0	65.0	-7%	70.0	65.0	-7%
USD/INR	87.0	87.7	1%	87.0	89.0	2%	87.0	89.0	2%
Net Oil Realization (USD/bbl)	67.4	64.2	-5%	67.8	62.8	-7%	68.0	63.0	-7%
Gas Realization (Rs/scm)	24.0	23.3	-3%	24.8	23.5	-5%	25.1	23.7	-5%
Crude Oil Production (mmt)	20.9	20.9	0%	21.0	21.0	0%	21.1	21.2	0%
Natural Gas Production (bcm)	20.1	20.3	1%	20.5	20.7	1%	20.9	21.1	1%

Source: Company, Emkay Research

Exhibit 5: Change in estimates

(Rs bn)	FY26E			FY27E			FY28E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Revenue	1,335	1,304	-2%	1,371	1,316	-4%	1,397	1,341	-4%
EBITDA	666	650	-2%	671	633	-6%	679	640	-6%
EBITDA Margin	*49.9%*	*49.8%*	*-9bps*	*48.9%*	*48.1%*	*-86bps*	*48.6%*	*47.7%*	*-87bps*
PAT	358	326	-9%	359	316	-12%	369	321	-13%
EPS (Rs)	28.5	25.9	-9%	28.6	25.1	-12%	29.3	25.5	-13%

Source: Company, Emkay Research

Exhibit 6: SOTP-based valuation – Sep-26E

Components (Rs mn)	Basis	Sep-27E Equity Value	Value/share (Rs)	Comments
ONGC - Standalone (ex 98/2)	DCF	2,743,622	218	WACC/TG at 11%/-2.0%
OVL (ex Mozambique upside)	PE	-	-	0x Sep-27 PE
Mozambique upside		-	-	Assuming nil value
OPaL value	EV/EBITDA	(212,763)	(17)	6.0x Sep-27E EV/EBITDA
Core business valuation		**2,530,859**	**201**	
Value of investments	TP/CMP/BV	994,474	79	At 30% holdco discount
Target Price-Fair Value		**3,525,333**	**280**	

Source: Company, Emkay Research

Exhibit 7: ONGC – Standalone DCF-based valuation

Assumptions		Standalone	Rs mn
Risk Free Rate	7.0%	NPV Of FCF (Sep-27E to Sep-38E)	2,037,835
Risk Premium	5.3%	Terminal Value	1,488,963
Beta	0.8	PV Of TV	423,656
Cost Of Equity	11.0%	**Total Value**	**2,461,491**
Cost Of Debt	9.0%	Less: Adj Net Debt (Sep-26E)	(282,132)
Post Tax Cost Of Debt	6.7%	**Equity Value**	**2,743,622**
Average Debt:Equity	0.0%	No Of Shares O/S (mn)	12,580
WACC	11.0%	**Fair Value of ONGC SA (Rs)**	**218**
Terminal Growth Rate	-2.0%		

Source: Company, Emkay Research

Exhibit 8: Schedule and value of investments (Sep-26E Valuation)

Listed	Type	Basis of Valuation	TP/CMP (Rs)	Equity Value (Rs bn)	ONGC Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contri to SOTP (Rs bn)	Per Share Value (Rs)
HPCL	Subsidiary	TP (Emkay)	570	1,213	54.9%	666	30%	466	37.1
PLNG	JV	TP (Emkay)	360	540	12.5%	68	30%	47	3.8
MRPL	Subsidiary	CMP	170	298	71.6%	213	30%	149	11.9
IOCL	Financial	TP (Emkay)	190	2,683	14.2%	381	30%	267	21.2
GAIL	Financial	TP (Emkay)	210	1,381	4.8%	67	30%	47	3.7
Total Listed						**1,394**		**976**	**77.6**
Unlisted									
ONGC Tripura Power Co (OTPC)	JV	BV			~50%	6	30%	4	0.3
OPaL+OTPC Warrants						19	30%	13	1.0
Petronet MHB Ltd (PMHB)	Subsidiary#	BV			29%	2	30%	1	0.1
Total Unlisted						**26**		**18**	**1.5**
Grand Total Investments						**1,421**		**994**	**79**

Source: Company, Emkay Research; Note: #HPCL has a 29% stake in P-MHB, which is, therefore, a subsidiary

Exhibit 9: PER-based valuation

	FY23	FY24	FY25	FY26E	FY27E	FY28E
Consol EPS (Rs)	36.4	42.2	30.7	33.8	36.1	37.5
Implied Target P/E (x)						**7.6**
Sep-27E TP (Rs)						**280**

Source: Company, Emkay Research

ONGC: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**1,384,021**	**1,378,463**	**1,304,283**	**1,316,148**	**1,341,373**
Revenue growth (%)	(11.0)	(0.4)	(5.4)	0.9	1.9
EBITDA	**697,764**	**680,420**	**649,795**	**632,578**	**640,436**
EBITDA growth (%)	(8.8)	(2.5)	(4.5)	(2.6)	1.2
Depreciation & Amortization	204,957	243,524	260,285	271,471	282,670
EBIT	**492,807**	**436,896**	**389,510**	**361,107**	**357,766**
EBIT growth (%)	(17.4)	(11.3)	(10.8)	(7.3)	(0.9)
Other operating income	6,280	4,853	5,096	5,351	5,618
Other income	107,355	104,794	89,993	102,921	110,521
Financial expense	40,813	46,040	43,585	41,229	39,052
PBT	**559,349**	**495,650**	**435,917**	**422,799**	**429,235**
Extraordinary items	(29,187)	(28,052)	0	0	0
Taxes	124,902	111,495	109,851	106,545	108,167
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**405,260**	**356,103**	**326,066**	**316,254**	**321,068**
PAT growth (%)	1.1	(12.1)	(8.4)	(3.0)	1.5
Adjusted PAT	**427,571**	**377,467**	**326,066**	**316,254**	**321,068**
Diluted EPS (Rs)	**34.0**	**30.0**	**25.9**	**25.1**	**25.5**
Diluted EPS growth (%)	(11.5)	(11.7)	(13.6)	(3.0)	1.5
DPS (Rs)	**12.2**	**12.2**	**11.7**	**11.3**	**11.5**
Dividend payout (%)	**38.0**	**43.3**	**45.0**	**45.0**	**45.0**
EBITDA margin (%)	50.4	49.4	49.8	48.1	47.7
EBIT margin (%)	35.6	31.7	29.9	27.4	26.7
Effective tax rate (%)	22.3	22.5	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**382,764**	**338,618**	**291,353**	**270,108**	**267,609**
Shares outstanding (mn)	12,580	12,580	12,580	12,580	12,580

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	62,901	62,901	62,901	62,901	62,901
Reserves & Surplus	2,996,864	3,099,934	3,279,271	3,453,210	3,629,798
Net worth	**3,059,765**	**3,162,836**	**3,342,172**	**3,516,112**	**3,692,699**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	247,088	232,614	221,671	210,509	199,125
Total debt	**351,395**	**378,470**	**250,000**	**150,000**	**50,000**
Total liabilities & equity	**3,660,210**	**3,776,097**	**3,816,065**	**3,878,887**	**3,944,135**
Net tangible fixed assets	1,788,766	1,899,209	1,858,918	1,791,796	1,713,097
Net intangible assets	2,458	2,458	2,458	2,458	2,458
Net ROU assets	-	-	-	-	-
Capital WIP	531,135	500,598	505,604	510,660	515,767
Goodwill	-	-	-	-	-
Investments [JV/Associates]	1,053,714	1,126,781	1,138,049	1,149,429	1,160,924
Cash & equivalents	**302,288**	**154,956**	**264,508**	**398,917**	**545,514**
Current assets (ex-cash)	355,128	374,659	354,497	357,722	364,578
Current Liab. & Prov.	799,999	740,430	770,415	799,165	829,943
NWC (ex-cash)	**(444,871)**	**(365,772)**	**(415,917)**	**(441,443)**	**(465,365)**
Total assets	**3,660,210**	**3,776,097**	**3,816,065**	**3,878,887**	**3,944,135**
Net debt	49,107	223,513	(14,508)	(248,917)	(495,514)
Capital employed	3,660,210	3,776,097	3,816,065	3,878,887	3,944,135
Invested capital	**1,346,353**	**1,535,895**	**1,445,459**	**1,352,811**	**1,250,191**
BVPS (Rs)	243.2	251.4	265.7	279.5	293.5
Net Debt/Equity (x)	-	0.1	-	(0.1)	(0.1)
Net Debt/EBITDA (x)	0.1	0.3	-	(0.4)	(0.8)
Interest coverage (x)	14.7	11.8	11.0	11.3	12.0
RoCE (%)	**19.4**	**15.6**	**13.4**	**12.8**	**12.6**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	451,994	390,856	345,925	319,878	318,714
Others (non-cash items)	96,179	144,224	0	0	0
Taxes paid	(118,682)	(130,627)	(120,794)	(117,707)	(119,552)
Change in NWC	24,108	84,852	49,952	25,331	23,725
Operating cash flow	**653,355**	**730,102**	**578,953**	**540,202**	**544,609**
Capital expenditure	(376,669)	(411,832)	(225,000)	(209,405)	(209,078)
Acquisition of business	(34)	(226,903)	(11,268)	(11,380)	(11,494)
Interest & dividend income	70,976	80,895	89,993	102,921	110,521
Investing cash flow	**(342,537)**	**(613,001)**	**(150,617)**	**(122,249)**	**(114,480)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	2,091	38,620	(128,470)	(100,000)	(100,000)
Payment of lease liabilities	(82,951)	(112,585)	0	0	0
Interest paid	(17,037)	(18,646)	(43,585)	(41,229)	(39,052)
Dividend paid (incl tax)	(128,949)	(169,847)	(146,730)	(142,314)	(144,481)
Others	0	0	0	0	0
Financing cash flow	**(226,846)**	**(262,458)**	**(318,785)**	**(283,544)**	**(283,533)**
Net chg in Cash	83,973	(145,357)	109,552	134,409	146,597
OCF	653,355	730,102	578,953	540,202	544,609
Adj. OCF (w/o NWC chg.)	629,247	645,251	529,001	514,871	520,884
FCFF	276,686	318,271	353,953	330,797	335,531
FCFE	306,849	353,126	400,361	392,489	407,000
OCF/EBITDA (%)	93.6	107.3	89.1	85.4	85.0
FCFE/PAT (%)	75.7	99.2	122.8	124.1	126.8
FCFF/NOPLAT (%)	**72.3**	**94.0**	**121.5**	**122.5**	**125.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	7.8	8.9	9.7	10.0	9.9
P/CE(x)	5.2	5.3	5.4	5.4	5.2
P/B (x)	1.0	1.0	0.9	0.9	0.9
EV/Sales (x)	2.3	2.5	2.4	2.2	2.0
EV/EBITDA (x)	4.6	5.0	4.8	4.6	4.2
EV/EBIT(x)	6.5	7.8	8.1	8.1	7.5
EV/IC (x)	2.4	2.2	2.2	2.2	2.1
FCFF yield (%)	8.6	9.4	11.2	11.4	12.6
FCFE yield (%)	9.7	11.2	12.7	12.4	12.9
Dividend yield (%)	4.9	4.9	4.6	4.5	4.6
DuPont-RoE split					
Net profit margin (%)	29.3	25.8	25.0	24.0	23.9
Total asset turnover (x)	0.4	0.4	0.3	0.3	0.3
Assets/Equity (x)	1.2	1.2	1.2	1.1	1.1
RoE (%)	**14.3**	**11.4**	**10.0**	**9.2**	**8.9**
DuPont-RoIC					
NOPLAT margin (%)	27.7	24.6	22.3	20.5	20.0
IC turnover (x)	1.2	1.0	0.9	0.9	1.0
RoIC (%)	**32.3**	**23.5**	**19.5**	**19.3**	**20.6**
Operating metrics					
Core NWC days	(117.3)	(96.9)	(116.4)	(122.4)	(126.6)
Total NWC days	**(117.3)**	**(96.9)**	**(116.4)**	**(122.4)**	**(126.6)**
Fixed asset turnover	0.5	0.4	0.3	0.3	0.3
Opex-to-revenue (%)	50.1	50.2	50.1	51.9	52.2

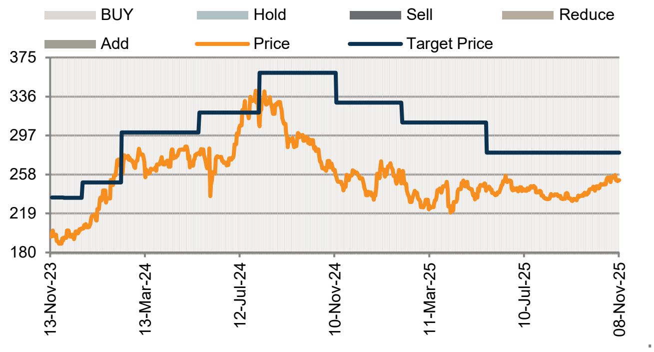
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
26-Sep-25	238	280	Buy	Sabri Hazarika
18-Jun-25	250	280	Buy	Sabri Hazarika
23-May-25	244	280	Buy	Sabri Hazarika
04-Feb-25	254	310	Buy	Sabri Hazarika
15-Jan-25	258	330	Buy	Sabri Hazarika
12-Nov-24	256	330	Buy	Sabri Hazarika
18-Oct-24	283	360	Buy	Sabri Hazarika
12-Sep-24	294	360	Buy	Sabri Hazarika
06-Aug-24	306	360	Buy	Sabri Hazarika
21-May-24	280	320	Buy	Sabri Hazarika
12-Feb-24	258	300	Buy	Sabri Hazarika
24-Dec-23	204	250	Buy	Sabri Hazarika
30-Nov-23	195	235	Buy	Sabri Hazarika
15-Nov-23	200	235	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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